

State of Alaska Division of Motor Vehicles Standard Operating Procedures	SOP No. T-290	Page No. 1 of 2
	Effective October 21, 2005	
Subject:	Supersedes T-290	Dated 2/14/01
LIEN SALES	Approved	
Statute: AS 28.10.502; AS 34.35.175 Regulation:	Form No. 811, 812, 826, 859	

There are two types of lien sales that come about due to specific types of circumstances. Following are the specifics regarding each type of lien.

- **Work/Storage (Mechanic's) Lien** - The registered **owner of the vehicle MUST request** that work be performed on their vehicle, either by a work order, written contract or verbal agreement. If the owner of the vehicle does not return to pay the charges, or refuses to pay them, the mechanic performing the work has a lien on the vehicle for the just and reasonable charges for the labor performed and material furnished.
- **Towing/Storage (Impound) Lien** - A person who is **in the business of towing and/or storing** vehicles and who tows and/or stores a vehicle at the request of the vehicle owner, a peace officer, or an owner of property where the vehicle is parked without consent, has a possessory lien on the vehicle.

In either of these situations, the lien remains in effect while the vehicle is in possession of the person who performed work on the vehicle or towed and stored the vehicle. The vehicle may be sold to pay the charges. Following are statutes and procedures that apply to each specific type of lien sale.

Important Notes:

- If the registration is expired, the buyer pays full fees and the registration starts over.
- PPI and PPO are not acceptable under "Print Name of Individual. If Applicable, Provide Corporation/Company and Your Title."
- The vehicle must be titled in the name of the buyer before it can be resold.
- A lien release is not required when there is a lien showing on the vehicle in DMV records, as the lienholder would have been notified of the sale and was given the opportunity to pay the charges due and claim the vehicle.
- Any proceeds, over and above the cost of the sale and discharge of the lien are to be retained by the Division if the registered owner cannot be located. Contact Fiscal Services for procedures. (Appendix B)
- The "Notice of Public Sale" required for lien sales must include the following information:
 - ◆ Description of the vehicle to be sold (Including license plate number and VIN)
 - ◆ The name of the owner or reputed owner
 - ◆ Name and address of the person to whom the charges are due
 - ◆ Amount due on the lien
 - ◆ Date, time and place of sale

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WORK/STORAGE (MECHANIC'S) LIEN - AS 34.35.175 (Form 859)

Specific Requirements of Sale:

- Charges have not been paid within **three (3) months** after the work was performed.
- The sale shall be held in the recording district where the vehicle was left for repairs.
- Notice of Public Sale must be given to the owner by registered letter before the vehicle can be sold. If there is a lienholder showing on DMV records, the lienholder must be notified in the same manner.
- Notice of Public Sale must be posted in three (3) public places within the recording district for at least **ten (10) days** before the vehicle is sold. One of the notices must be at or near the front door of the post office nearest the place of sale.

Title Requirements:

1. A properly completed "Affidavit of Possession * Work/Storage Lien" (AKA Mechanic's Lien), notarized. (Form 859)
2. When the customer states that there is no DMV record for the registered owner, a VIN inspection is required. (Form 811)
3. Application for Title and Registration, completed in full. (Form 812 or 812A)
4. Emissions Certificate, if applicable. (R-430)

TOWING/STORAGE (IMPOUND) LIEN - AS 28.10.502 (Form 826)

Specific Requirements of Sale:

- Lien is limited to towing and storage charges.
- Storage charges cease to be a part of the lien after 60 days unless the registered owner or lienholder, if any, has been given actual notice of the lien within that time, or unless a certified letter has been mailed within that time.
- The vehicle has been impounded and has remained unclaimed for a period of 30 days.
- The registered owner and lienholder, if applicable, were given 20 days Notice of Public Sale. (Must be personally served or sent the notice by certified mail, return receipt requested.)

Title Requirements:

1. A properly completed "Notification of Impoundment and Sale", notarized. (Form 826)
2. When the customer states that there is no DMV record for the registered owner, a VIN inspection is required. (Form 811)
3. Application for Title and Registration, completed in full. (Form 812 or 812A)
4. Emissions Certificate, if applicable. (R-430)

Cross Reference:

T-090	Temporary Permits	App B	DMV Addresses
T-200	Abandoned Vehicles	R-430	Emission Control Inspection Program
T-250	Government Sales / Forfeitures		